

1 JUDGE STEINBERG: And the rest your are willing to
2 stipulate are admissible?

3 MS. SADOWSKY: We are willing to state that the
4 other documents are admissible.

5 JUDGE STEINBERG: And are genuine and accurate and
6 all that other stuff.

7 And pages 14 through 19, you are not arguing that
8 it's not genuine you are just arguing -- you are arguing
9 for some other reason it's objectionable?

10 MS. SADOWSKY: That's correct.

11 JUDGE STEINBERG: Okay, so let's state your
12 objection to pages 14 through 19.

13 MR. GARFNEY: Well, Your Honor, Exhibit No. 1,
14 that's the attachment, contains the, basically the
15 indictment information. This is the second amended
16 information beginning on page 7; recites the counts, the
17 state statutes that are alleged to have been violated.

18 Then in the Bureau's page -- Attachment No. 3
19 beginning on page 21, the document entitled "Allocution
20 Sentence and Commitment," and that sets forth the sentences
21 as they were found by the court and the indictments which
22 are identified which gave rise to the conviction.

23 The middle document here, which is entitled
24 "Memorandum," is a stipulation entered in connection with
25 this plea agreement, which states merely what testimony

1 would have been had it been entered in this case. It never
2 happened. These people never testified.

3 Mr. Rice, in particular, has denied, and
4 maintained on the record a denial of this information. And
5 there has been no opportunity to cross-examine any of these
6 points in the proceeding in the criminal court.

7 But more importantly, the information -- well,
8 given all that, it has very low probative value in these
9 proceedings. Yet it has a strong propensity to prejudice
10 the Licensees because of its content. But on the other
11 side, no probative value. It is completely superfluous to
12 Issue No. 1 in this case, which is based on the convictions
13 of certain felonies. The felonies have been identified in
14 Exhibit No. 1. The conviction is established in Exhibit No.
15 3. Exhibit No. 2 has no additional probative value, and
16 it's simply irrelevant to this cause of action.

17 JUDGE STEINBERG: Okay, you meant Attachment 2?

18 MR. GAFFNEY: Attachment 2. Excuse me.

19 JUDGE STEINBERG: Mr. Zauner?

20 MR. ZAUNER: Your Honor, one of the things that
21 the Commission has indicated it will look at is the nature
22 of the felony that has been committed, and make a
23 determination as to whether that felony is one which is of
24 such an egregious nature that it would shock the conscious.
25 And this exhibit --

1 JUDGE STEINBERG: Attachment.

2 MR. ZAUNER: Or Attachment 2 describes the nature
3 of the felony and provides the detail that would otherwise
4 be missing. I don't understand at all Mr. Gaffney's
5 argument that Michael Rice has not admitted to this. His
6 signature appears on page 19, and, yes, it's true, this is
7 what they will testify to. And the fact is that Mr. Rice
8 has agreed that if these individuals were called this what
9 they would testify to.

10 I don't understand how -- the basis for Mr.
11 Gaffney's claim that this is somehow speculation as to what
12 they would testify to insofar as Mr. Rice is concerned.

13 JUDGE STEINBERG: Okay, I am ready to rule.

14 MR. ZAUNER: If I could direct your attention to
15 one sentence, and that is on page 14 which states, "The
16 Defendant specifically does not admit that any of the
17 testimony is true or that any of the actions took place."
18 That's where I understand the lack of admission in this
19 case.

20 And with regard to the speculative nature of this,
21 the last sentence of that page says, the statement, "The
22 Defendant submits this cause to the court with the following
23 being a stipulation as to what the testimony would be," not
24 to what it was because it in fact never occurred.

25 JUDGE STEINBERG: Well, I am going to overrule the

1 objection for the reasons stated by Mr. Zauner. I think the
2 record in this proceeding should reflect what's in this
3 exhibit for a complete understanding of the conviction.

4 Okay, so that objection is overruled.

5 Now let's turn to page 32 and 33 which is
6 Attachment 8 to Bureau No. 1.

7 MR. ZAUNER: Your Honor, I could short circuit
8 this. I believe that there is merit to the objection raised
9 in the Licensees' response to the Bureau's request for
10 admissions of documents. This is a letter from a third
11 party to another third party, and we will not rely on it,
12 and for those -

13 JUDGE STEINBERG: So you are withdrawing it?

14 MR. ZAUNER: We are withdrawing it.

15 JUDGE STEINBERG: Okay. So pages 32 and 33 are
16 withdrawn.

17 Do we need pages 1 through 3? Excuse me, 1
18 thorough 5?

19 I don't have any problems with leaving 1 through 5
20 in there for official notice purposes.

21 MR. ZAUNER: Well, each of these, except as we
22 have discussed them, have been admitted to --

23 JUDGE STEINBERG: Right.

24 MR. ZAUNER: -- as factual, and I think it would
25 help all of us in preparing for both findings and ultimately

1 Your Honor perhaps in preparing his initial decision.

2 MS. SADOWSKY: Your Honor, we maintain our
3 objection 9 and 2 based on the content of our response.

4 JUDGE STEINBERG: Oh, you mean --

5 MS. SADOWSKY: Items 9 and 12, or page 3.

6 JUDGE STEINBERG: Okay. Well, no, fine. Your
7 objection is -- it's in the record as Exhibit No. 2.

8 My feeling about that is I give weight to what the
9 documents say, not to the Bureau's characterization of the
10 documents, and I think we would all agree to that, right,
11 Mr. Zauner?

12 MR. ZANNER: Yes, the Bureau is in agreement with
13 that.

14 JUDGE STEINBERG: Okay. So I will receive Mass
15 Media Bureau Exhibit No. 1, as modified; that is, with page
16 32 and 33 withdrawn. So Exhibit No. 1 is received.

17 (The document referred to,
18 having been previously marked
19 for identification as Mass
20 Media Bureau Exhibit No. 1,
21 was received in evidence.)

22 JUDGE STEINBERG: And are you offering Exhibit 2?

23 MR. ZANNER: Yes, Your Honor, at this time the
24 Bureau would offer in evidence Mass Media Bureau Exhibit 2.

25 JUDGE STEINBERG: Okay, any objection?

1 MS. SADOWSKY: No, Your Honor.

2 JUDGE STEINBERG: Okay, Bureau Exhibit 2 is
3 received.

4 (The document referred to,
5 having been previously marked
6 for identification as Mass
7 Media Bureau Exhibit No. 2,
8 was received in evidence.)

9 MR. ZANNER: At this time, Your Honor, the Bureau
10 would ask to have marked for identification Exhibit No. 3.
11 This is a nine-page exhibit, and it consists of information
12 relating to signature authority on accounts of Contemporary
13 Broadcasting, Inc.

14 JUDGE STEINBERG: Okay, the document identified
15 will be marked as Bureau Exhibit 3.

16 (The document referred to was
17 marked for identification as
18 Mass Media Bureau Exhibit No.
19 3.)

20 JUDGE STEINBERG: I have a question. There are a
21 number of places in this document where there purports to be
22 a signature of Michael Rice, page 3, page 4, and page 9.

23 Could we get a stipulation that that is in fact
24 his signature?

25 MS. SADOWSKY: We will so stipulate.

1 JUDGE STEINBERG: Okay. Do you want to move --
2 did you move its admission?

3 MR. ZAMNER: No, I have not, Your Honor.

4 The Bureau moves into evidence its Exhibit No. 3.

5 JUDGE STEINBERG: Any objection.

6 MS. SADOWSKY: Your Honor, we object. We don't
7 believe these documents on their face are relevant to the
8 issue of misrepresentation. We don't think these documents
9 reflect any involvement per se of Mr. Rice in the management
10 and operations of the stations. They go to his authority,
11 but they don't go to his involvement.

12 MR. ZAMNER: Your Honor, we believe these
13 documents do have some relevance in that they show that
14 Michael Rice had the ability to sign checks that would draw
15 from funds of the corporation in question.

16 And we believe that this ability to do so is at
17 least one indicia of control. We would agree it may not
18 make the case standing alone, but it is an indicia of
19 control and management of the station. There is a
20 possibility he could withhold signing a check, or could
21 commit the company to spend money by issuing checks.

22 JUDGE STEINBERG: Okay, the objection is overruled
23 and Bureau Exhibit 3 is received.

24 //

25 //

1 (The document referred to,
2 having been previously marked
3 for identification as Mass
4 Media Bureau Exhibit No. 3,
5 was received in evidence.)

6 JUDGE STEINBERG: Let me -- well, let's finish
7 with the checks and then I will ask you a question.

8 MR. ZANNER: I'm sorry?

9 JUDGE STEINBERG: Let's finish with the signature
10 cards and then I will ask a question.

11 MR. ZANNER: Okay. At this time, Your Honor, we
12 request that you mark for identification as Mass Media
13 Bureau Exhibit No. 4 a three-page document, and this
14 consists of resolutions -- a resolution of the board of
15 directors of Contemporary Broadcasting, Inc., and -- give me
16 one second, Your Honor.

17 (Pause)

18 MR. ZANNER: I'm sorry, let me begin.

19 It's a three-page document, Your Honor, and this
20 document also has to do with the authorization of Michael
21 Rice to sign checks. This time for Contemporary Media, Inc.

22 JUDGE STEINBERG: Okay, the document identified
23 will be marked for identification as Bureau Exhibit No. 4.

24 //

25 //

1 (The document referred to was
2 marked for identification as
3 Mass Media Bureau Exhibit No.
4 4.)

5 JUDGE STEINBERG: And let me ask Ms. Sadowsky.
6 What purports to be a signature of Michael Rice on page 3,
7 will you stipulate that that's his signature?

8 MS. SADOWSKY: On page 3?

9 JUDGE STEINBERG: Yes.

10 MS. SADOWSKY: Yes, Your Honor, we would stipulate
11 that is his signature.

12 JUDGE STEINBERG: Thank you.

13 I don't see any date on page 3. Can anybody put
14 this in a time frame? Does anybody know?

15 And the time frame could be before or after April
16 3, '91. I think you know, we don't have to know that it
17 was December 9, 1943.

18 MR. ZARNER: Your Honor, we believe that page 3
19 relates to the two preceding pages, and according to the two
20 preceding pages there was a meeting that the board held on
21 9-28-1994, which gave signing authority to Michael Rice,
22 Vice President, and Janet Cox, and I guess M. R. Rice must
23 be Malcolm Rice, Mike Rice's father. And we believe that,
24 and I can't, you know, absolutely state that this third page
25 relates to that authority granted in the preceding two

1 pages.

2 We also notice that the Bates stamp numbers at the
3 lower right-hand corner are consecutive.

4 JUDGE STEINBERG: Okay, can Ms. Sadowsky help?

5 MS. SADOWSKY: Your Honor, I cannot. I was
6 checking on our answers to interrogatories because they did
7 ask us certain questions about some of these check, or these
8 signature cards, that wasn't one of them.

9 We will have --

10 JUDGE STEINBERG: Can you find out? Okay, just
11 write a little note to yourself to see if you can place
12 Bureau Exhibit 4 page 3, in terms of a time frame before or
13 after April 3, '91?

14 MS. SADOWSKY: We expect one of our witnesses can
15 do that.

16 JUDGE STEINBERG: Yes, okay. Just write it down
17 and that way we can revisit it later.

18 Okay, are you going to offer No. 3?

19 MR. ZANNER: Your Honor, at this time the Bureau
20 would --

21 JUDGE STEINBERG: I mean No. 4.

22 MR. ZANNER: -- Bureau Exhibit No. 4 into
23 evidence, Exhibit No. 4.

24 JUDGE STEINBERG: Any objection?

25 MS. SADOWSKY: Your Honor, we would have the same

1 objection to Exhibit No. 4 as we stated for Exhibit No. 3.

2 JUDGE STEINBERG: Okay, the objection is overruled
3 for the same reasons, and Bureau Exhibit 4 is received.

4 (The document referred to,
5 having been previously marked
6 for identification as Mass
7 Media Bureau Exhibit No. 4,
8 was received in evidence.)

9 MR. ZANNER: Your Honor, at this time I would like
10 to have marked for identification as Mass Media Bureau
11 Exhibit No. 5, a two-page document.

12 The first page is a letter on the letterhead of
13 Contemporary Media Broadcasting Group. It's dated December
14 2, 1992, and addressed to Gina Johnston of the First Bank
15 Center, in Osage Beach, Missouri, and with the letter bears
16 a signature block for Michael Rice, and Dennis Klautzer, and
17 Janet P. Cox.

18 The second page consists of an authorization, a
19 signature authorization, and that page bears typed space
20 for Michael S. Rice as president, but no signature. The
21 document is dated April 8, 1991.

22 JUDGE STEINBERG: Well, the second page.

23 MR. ZANNER: The second page, yes.

24 JUDGE STEINBERG: The first page has got another
25 date.

1 MR. ZAJNER: I'm sorry.

2 JUDGE STEINBERG: Okay, the document described
3 will be marked for identification as Bureau Exhibit No. 5.

4 (The document referred to was
5 marked for identification as
6 Mass Media Bureau Exhibit No.
7 5.)

8 MR. ZAJNER: Your Honor, I offer into evidence
9 Bureau Exhibit No. 5.

10 MS. SADOWSKY: Your Honor, we would have the same
11 objection to Exhibit 5 as we stated for Exhibit 3. In
12 addition, we note that page 1 is a letter that is unsigned
13 by any party, and page 2 is a document that is signed by
14 Dennis Klautzer dated April 8, 1991. The first page is
15 dated December 2, 1992. I don't know that these two
16 documents are connected given the disparity in the dates.

17 In addition, the first page, again, is not signed
18 by any person, particularly Mr. Rice.

19 MR. ZAJNER: Your Honor, if I may, the middle
20 paragraph on page 1 indicates, "The following individuals
21 will remain as the authorized persons to sign the corporate
22 checks," indicating that corporate authorization resolution
23 had been issued previously, and we believe this to be the
24 copy of the corporate resolution authorizing the named
25 individuals to sign checks on behalf of Lake Broadcasting,

1 Inc.

2 JUDGE STEINBERG: Okay, where did the documents
3 come from?

4 MR. ZAJNER: The documents came from the Licensee.
5 And once again, they bear consecutive Bates stamp numbers.

6 JUDGE STEINBERG: Can we find out more about these
7 documents, as to whether or not they in fact were signed?

8 MS. SADOWSKY: Your Honor, I expect --

9 JUDGE STEINBERG: I would assume if they were
10 found in the records of the corporation.

11 MS. SADOWSKY: It's my expectation that one of our
12 witnesses will be prepared to testify concerning these
13 documents.

14 JUDGE STEINBERG: Okay, let's right that down too,
15 and remember Bureau Exhibit 5, and I withhold ruling on that
16 until we can get somebody to say what these things are;
17 namely, was page 1 in fact signed and sent, and page 2 being
18 a corporate authorization resolution, which was signed by
19 the secretary of the corporation. I don't see any problem
20 with page 2. It's just -- but I withhold ruling on this
21 until later.

22 JUDGE STEINBERG: Okay, let's go to No. 6.

23 MR. ZAJNER: Your Honor, at this time the Bureau
24 would have marked for identification as Mass Media Bureau
25 Exhibit No. 6, a three-page document. The first page

1 indicates that it's a letter addressed to The Honorable Jack
2 O. Edwards, Associate Circuit Court of the 25th Judicial
3 Circuit, in Vienna, Missouri. It's dated August 1, 1994.

4 The last page of the document appears what
5 purports to be the signature of Kenneth W. Kuenzie.

6 JUDGE STEINBERG: K-U-E-N-Z-I-E.

7 MR. ZAJNER: Correct.

8 MR. ZAJNER: Your Honor, the Bureau is offering
9 this statement only for the purpose of the statement on page
10 1, the bottom paragraph, that "Even though Mike is the major
11 stockholder, all decisions and business dealings are done
12 with all three stockholders. Consideration is welcomed."

13 And we are offering that on the issue, the
14 misrepresentation issue, and that's the limited purpose for
15 which we are offering Mass Media Bureau Exhibit No. 6.

16 Your Honor, I request --

17 JUDGE STEINBERG: Did you say you are offering it?
18 You are saying it's an admission, or what did you say?

19 MR. ZAJNER: I'm sorry.

20 JUDGE STEINBERG: I'm sorry, I didn't follow some
21 of that.

22 MR. ZAJNER: Okay. I said the Bureau is offering
23 Exhibit No. 6 on Issue No. 2, the misrepresentation issue.
24 And we are offering it only for the purpose of the statement
25 that "Even though Mike is the major stockholder, all

1 decisions and business dealings are done with all three
2 stockholders. Considerations welcomed." And that statement
3 is at the bottom of the first page, the last paragraph on
4 the page. So we are offering it only for that limited
5 purpose.

6 Your Honor, with that modification, the Bureau
7 offers into evidence Exhibit No. 6.

8 JUDGE STEINBERG: Okay, let me -- I didn't think I
9 identified it yet.

10 MR. ZAMNER: Oh, I'm sorry.

11 JUDGE STEINBERG: So Exhibit No. -- the document
12 described will be marked for identification as Mass Media
13 Bureau Exhibit 6

14 (The document referred to was
15 marked for identification as
16 Mass Media Bureau Exhibit No.
17 6.)

18 JUDGE STEINBERG: And it's being offered for that
19 limited purpose.

20 Ms. Sadovsky?

21 MS. SADOWSKY: Your Honor, we object to the
22 admission of this exhibit. It is not authenticated, and if
23 it were to be admitted, we believe it should be admitted for
24 all purposes. The document also contains information that
25 is relevant to character issue in this case, and we believe

1 if the document is admitted for the purpose that the Bureau
2 requests, it should be admitted for all purposes.

3 But we believe that, because it is not
4 authenticated, it should not be admitted at all.

5 JUDGE STEINBERG: Okay, the objection is
6 sustained, and Exhibit No. 6 is rejected.

7 (The document referred to,
8 having been previously marked
9 for identification as Mass
10 Media Bureau Exhibit No. 6,
11 was rejected.)

12 MR. ZAJNER: Your Honor, may I just have one
13 second, please?

14 JUDGE STEINBERG: Sure.

15 MR. ZAJNER: One more moment, Your Honor.

16 (Pause)

17 MR. ZAJNER: Your Honor, if I must may just answer
18 the --

19 JUDGE STEINBERG: Well, you have the ruling. We
20 don't have --

21 MR. ZAJNER: We offer it as a party admission.
22 This is written by a party -- by the vice president, and I
23 believe, shareholder in Lake Broadcasting Company.

24 JUDGE STEINBERG: He is 12 and a half percent
25 shareholder in Lake -- according to Licensees Exhibit 1,

1 page 4.

2 MR. ZARNER: Correct.

3 JUDGE STEINBERG: You didn't offer it as an
4 admission. You offered it --

5 MR. ZARNER: As an exhibit.

6 JUDGE STEINBERG: Yes. It's rejected. There is
7 no sponsor. Who are they going to cross-examine? Who are
8 they going to ask questions about?

9 I mean the ruling will stand.

10 MR. ZARNER: Your Honor, at this time I would
11 request that you have marked for identification Mass Media
12 Bureau Exhibit No. 7. Number 7 is a three-page document,
13 and again it's a letter addressed to The Honorable Jack O.
14 Edwards, Associate Circuit Court, 25th Judicial Circuit, in
15 Vienna, Missouri and it is signed by J. Eric Hoehn, or at
16 least bears what purports to be the signature of J. Eric
17 Hoehn.

18 JUDGE STEINBERG: That's H-O-E-H-N.

19 MR. ZARNER: Yes, Your Honor.

20 JUDGE STEINBERG: Okay, the document described
21 will be marked for identification as Bureau Exhibit No. 7.

22 (The document referred to was
23 marked for identification as
24 Mass Media Bureau Exhibit No.
25 7.)

1 MR. ZAUNER: And, again, Your Honor, we are
2 offering this on y with regard to the misrepresentation
3 issue, and we are specifically offering it with regard to
4 the second paragraph on page 2.

5 JUDGE STEINBERG: Beginning "During the past eight
6 years of my full employment"?

7 MR. ZAUNER: That is correct.

8 And, Your Honor, with those limitations, I would
9 offer into evidence -- oh I'm sorry you haven't found it --
10 have you marked it?

11 JUDGE STEINBERG: Yes, I think I did identify this
12 one.

13 MR. ZAUNER: Okay. Your Honor, at this time I
14 would offer into evidence Mass Media Bureau Exhibit No. 7.

15 JUDGE STEINBERG: Ms. Sadowsky?

16 MS. SADOWSKY: Yes. Your Honor, our objection to
17 Exhibit No. 7 is identical to our objection to Exhibit No.
18 6. It is not an authenticated document, and if it were to
19 be admitted, it should be admitted for all purposes.

20 JUDGE STEINBERG: Okay, according to Licensees
21 Exhibit 1, page 11, Mr. Hoehn is one of the station's chief
22 engineers; is that correct?

23 MS. SADOWSKY: That is correct.

24 JUDGE STEINBERG: Okay. I am going to sustain the
25 objection and reject Exhibit No. 7. It's not authenticated.

1 In addition, the paragraph that you are offering doesn't say
2 what, if anything, was done during the time period under
3 consideration, namely, after April 3, 1991. This is during
4 the past eight years, and eight years go from '86 to '94.
5 And it doesn't specify -- there is nobody to cross-examine
6 about this exhibit.

7 So Exhibit 7 is rejected.

8 (The document referred to,
9 having been previously marked
10 for identification as Mass
11 Media Bureau Exhibit No. 7,
12 was rejected.)

13 MR. ZARNER: Your Honor, at this time I would
14 request that you mark for identification as Mass Media
15 Bureau Exhibit No. 8, and a five-page document. The first
16 page of which is a telecopy facsimile cover sheet dated
17 April 9, 1993, to Dan Leatherman, L-E-A-T-H-E-R-M-A-N, from
18 Mike Rice.

19 The second, third, fourth, and fifth pages all
20 are, I'm sorry. Let me withdraw that.

21 The second page of this document is a fax
22 transmittal sheet from Dan Leatherman to Mike Rice. The
23 third page is a telecopy facsimile cover sheet indicating a
24 message from Mike Rice to Dan Leatherman, dated April 8,
25 1993. The fourth page is a fax transmittal to Mike Rice

1 from Dan Leatherman, dated July 27, 1993. And the last page
2 is a fax transmittal cover sheet to Mike Rice from Dan
3 Leatherman, dated 5-17-1993.

4 JUDGE STEINBERG: Okay, the document described
5 will be marked for identification as Mass Media Bureau
6 Exhibit No. 8.

7 (The document referred to was
8 marked for identification as
9 Mass Media Bureau Exhibit No.
10 8.)

11 JUDGE STEINBERG: And the signature on page 1,
12 would Ms. Sadowsky stipulate that that's Mr. Rice's
13 signature?

14 MS. SADOWSKY: Yes, Your Honor.

15 JUDGE STEINBERG: Thank you.

16 MR. ZAJNER: Your Honor, I offer into evidence --
17 have you marked it for identification, Your Honor?

18 JUDGE STEINBERG: Yes, I think I did.

19 MR. ZAJNER: Your Honor, at this time I offer into
20 evidence Mass Media Bureau Exhibit No. 8.

21 JUDGE STEINBERG: Ms. Sadowsky?

22 MS. SADOWSKY: Your Honor, Exhibit No. 8 is a
23 collection of correspondence memorandum, if I could
24 characterize it, but they lack a sponsoring witness. It's
25 my understanding that if this was to have been a case based

1 on documents, all documents were to have had a sponsoring
2 witness, and we would object on that ground.

3 JUDGE STEINBERG: Okay, I will overrule the
4 objection, and receive the exhibit, and I will note Mr.
5 Leatherman is going to be one of your witnesses.

6 MS. SADOWSKY: Your Honor, I'm sorry.

7 JUDGE STEINBERG: And I think if there are any
8 questions, I have questions, I would notice him for cross-
9 examination, if there are any questions about these
10 documents, there will be a live, presumably he will be live,
11 he will come here and testify, and we can ask him questions.

12 So I will receive Bureau Exhibit No. 8.

13 (The document referred to,
14 having been previously marked
15 for identification as Mass
16 Media Bureau Exhibit No. 8,
17 was received in evidence.)

18 MR. ZAMNER: Your Honor, at this time I would
19 request that you mark for identification as Mass Media
20 Bureau Exhibit No. 9 a two-page document.

21 The first page is the first page of a letter dated
22 November 13, 1995, and it begins with the word "Dear Jan."
23 The second pages concludes with "Sincerely," with what
24 purports to be Mike Rice's signature.

25 JUDGE STEINBERG: Okay, the document described

1 will be marked for identification as Bureau Exhibit No. 9.

2 (The document referred to was
3 marked for identification as
4 Mass Media Bureau Exhibit No.
5 9.)

6 MR. ZAUNER: Your Honor, the Bureau offers Exhibit
7 No. 9 into evidence.

8 JUDGE STEINBERG: Any objection?

9 MS. SADOWSKY: Your Honor, this is an unsponsored
10 document. The same objection as to Exhibit No. 8.

11 JUDGE STEINBERG: Okay, I presume that Jan is
12 Janet Cox, and Ms. Cox will be here to testify, and we can
13 ask her about this question. If it turns out that "Dear
14 Jan" is not Jane Cox, then we can revisit this.

15 So Exhibit No. 9 is received.

16 (The document referred to,
17 having been previously marked
18 for identification as Mass
19 Media Bureau Exhibit No. 9,
20 was received in evidence.)

21 JUDGE STEINBERG: And let me just ask for the
22 record the signature on page 2, will you stipulate that that
23 Mike is Mike Rice?

24 MS. SADOWSKY: Yes, Your Honor.

25 JUDGE STEINBERG: Okay, thank you.

1 Okay, does that complete your exhibits?

2 MR. ZAJNER: That completes our exhibits, Your
3 Honor.

4 JUDGE STEINBERG: Does that complete your direct
5 case?

6 MR. ZAJNER: That completes our direct case.

7 JUDGE STEINBERG: Okay, obviously there is nobody
8 to cross-examine so we can dispense with notification.

9 But I will give Ms. Sadowsky a lot of leeway in
10 examining Mr. Leatherman and Ms. Cox on these documents in
11 here, if she wants to. If she doesn't want to, she doesn't
12 have to.

13 I had a question before we turn to the Licensees
14 direct case.

15 With respect to the check signing authority, did
16 the Bureau examine actual checks written by the Licensee
17 after April 3, '91?

18 MR. ZAJNER: Yes, Your Honor.

19 JUDGE STEINBERG: Did you find any with Michael
20 Rice's signature on it?

21 MR. ZAJNER: Yes, Your Honor.

22 JUDGE STEINBERG: Why didn't you offer that into
23 evidence?

24 MR. ZAJNER: Because we thought the fact of the --
25 well, we may use that on cross-examination. We will have

1 Janet Cox here, whether she is aware of what these checks
2 were and what were the purpose of the checks, and she can
3 tell us. Most of them look, Your Honor, like payroll
4 checks.

5 JUDGE STEINBERG: I mean, I was prepared to ask
6 you to stipulate that you got the signature cards but no
7 checks, which would say one thing. And I think the checks
8 ought to be in the record rather than the signature cards,
9 and if you want to -- if you want to work out a stipulation
10 saying between April 3 -- I am just suggesting this, I am
11 not saying do it -- between April 3, '91, and today, the
12 Licensees, all three of them, wrote 8,247,986 checks, and
13 four were signed by Michael Rice dated XYZ for these
14 purposes, that would be -- you know that would be
15 preferable.

16 But if you put in checks for Michael Rice, I think
17 they are entitled to say, well, this was, you know, a half a
18 percent of all the checks that were written, and these were
19 why they were written.

20 I think that should be in the record.

21 Okay, now let's turn to the Licensees direct case.

22 MS. SADOWSKY: Your Honor, can I have one moment,
23 please?

24 JUDGE STEINBERG: Sure. Do you want to go off the
25 record for a little bit?

1 MS. SADOWSKY: Yes.

2 JUDGE STEINBERG: Okay, let's take about a five-
3 minute break.

4 MS. SADOWSKY: Thank you.

5 (Whereupon, a recess was taken.)

6 MR. GARFNEY: Just one point, Your Honor.

7 You had made the suggestion after the closure of
8 the Bureau's direct case about supplementing it with further
9 evidence.

10 JUDGE STEINBERG: Right.

11 MR. GARFNEY: The deadline for exchanging the
12 exhibits is past. The for admitting the direct case is
13 past. If that's the evidence that the Bureau chose to put
14 in their direct case, I am a little bit confused on behalf
15 of the Licensees as to a supplementation of that record if
16 timely discovery was made, and they made a choice about what
17 their direct case would be, and the deadlines for notifying
18 us of that case are now behind us. That should be it. And
19 they delivered those choices.

20 JUDGE STEINBERG: Okay. I fully sympathize with
21 what you are saying, but one of my obligations is the
22 development of as full and complete a record as we have.
23 And in my discretion I believe that those checks should come
24 in just to show -- basically, I received the signature cards
25 over your objection because it is one of the indicias of